

salesforce

The Manufacturer's Guide

# Modernize Commercial Operations



# It's Time to Reimagine Your Selling and Revenue Management Processes

Margin erosion. Revenue leakage. Lost profits.

Other than production downtime, nothing frustrates manufacturers more than these three nearly universal problems. And, there are many factors that chip away at bottom line performance.



There is a common link – disconnected data and fragmented business processes. Data that supports the selling process like pricing and available inventory is often locked away in systems such as Enterprise Resource Planning (ERP) that sellers rarely access. Manufacturers frequently have multiple ERP systems, making it very difficult to compile a single view of customer information. Volume agreements negotiated with customers and channel partners may not be reviewed again until it is time for a new agreement. This leaves the manufacturer asking, “Did I get all the business promised in those agreements?”

Other disconnected processes come from pricing and discounting strategies mapped out in standalone price optimization systems or even in spreadsheets. Rebate programs are commonly developed and tracked using point solutions or spreadsheets. This information is seldom updated, and is often locked away in the finance department where neither sellers nor customers have visibility. Finally, today's demand volatility and market pressures – inflation and labor constraints – make it difficult to keep the right mix of products available.

Is anyone surprised that revenue and margin leakage are a problem for the typical manufacturer?

# How to Jumpstart Your Transformation

Modernizing how a business generates and captures revenue requires bringing together customer data and business processes. It starts by unifying all customer data into a Customer Relationship Management (CRM) system that can serve as a single source of truth across the business. This source, coupled with AI, provides the foundation for upgrading customer engagement processes and integrating revenue management.

In this guide, we share a three-phased approach to modernizing commercial operations.

## Phase 1

The first phase unifies customer data on one platform. This establishes the digital foundation for a new way of working.

## Phase 2

The second phase modernizes the selling processes. In doing so, you can improve the performance of every seller while reducing revenue and margin leakage in the selling process through the introduction of analytics, AI, and workflow automation to the unified customer data platform.

## Phase 3

The third phase integrates revenue management information and processes within the platform. You should migrate ERP-based or standalone order management systems and associated processes onto one platform for universal data visibility and process connectivity. Then, to keep the integration process moving forward, provide data visibility on the platform for systems which can't be migrated.

Read on to understand more about each phase of modernizing commercial operations.

# 60%

of surveyed executives are partnering with specialized technology companies to further their smart manufacturing initiatives in the coming years.

[Source: "2023 manufacturing industry outlook" Deloitte, December 2022](#)



# 01 PHASE ONE Unify Customer Data on One Platform

Manufacturing customers expect the same connected digital experiences in their business-to-business (B2B) and their business-to-consumer (B2C) interactions as they have as consumers.

Why is creating a seamless customer experience important?

According to the [2023 Achieving Customer Amazement Report](#), 86% of customers will leave a business for poor customer service. And, as the [Salesforce State of the Connected Customer report](#) showed, 83% of business buyers say they're more loyal to companies that provide consistent interactions across departments like sales, service, and marketing.

You can create better experiences by unifying customer data from siloed systems across business units, regions, and departments onto a real-time, connected platform. "For a long time in my world, the commercial organization operated on multiple systems, resulting in what we called 'swivel chair execution.' We pivoted back and forth from system to system to find the data we needed," said Michael Janney, Vice President and Industry Advisor for Salesforce's Manufacturing Business. Creating a smooth and informed customer experience was difficult and inefficient. "We spent all our time trying to locate information about the customer and their orders," says Janney.

A unified customer data platform makes the same data available to every employee. Bringing together data like inventory, quotes, orders, forecasts, parts, and warranties, and making it viewable in one place, enables every employee at the company to provide a better experience to customers. With AI, you can further analyze manufacturing processes and identify bottlenecks to streamline customer service. "You want everybody engaging with that system as the single source of truth," Janney says.

## 90%

of B2B leaders say they've gained a competitive advantage with their empathetic approach to customer experience.

Source: "Close the expectation gap with your B2B customers." Deloitte, 2021



**Michael Janney**

Vice President and Industry Advisor for Salesforce's Manufacturing Business

### Expert Tip — You Need Order Visibility to Improve Customer Care

"To do that, you need to have access to data from every touchpoint the business has with each of its customers. That information will help you deliver world-class service!

A CRM platform designed for manufacturing can support that 360-degree view of your customers. It can collect and connect the data needed for visibility throughout the entire customer process and journey - allowing for unmatched customer engagements and experience."

# 02 PHASE TWO Modernize Your Selling Processes

Many manufacturers struggle with sales processes that take too long to close. Slow and stalled processes lead to bad experiences for your prospects and makes it easier for a competitor to come in and steal the sale. But now that you have your data foundation in place, you can focus on optimizing your sales process. This will elevate the performance of every seller for larger deals, quicker closes, and better win rates.

How can you do this? By focusing on the areas that bog down your sales processes. With your customer data integrated into one platform, there are a number of ways to make things faster and easier, including:

**Adopting a Configure-Price-Quote (CPQ) tool** reduces mistakes and revenue leakage by ensuring quotes are built with accurate product configurations and approved pricing. Along with speeding the quoting process, CPQ also facilitates upselling and cross-selling.

**Integrating a rebate management tool** with your quoting process provides visibility into applicable rebate programs. Sellers can now easily include the right program in the quote.

**Taking advantage of GPT capabilities** to derive insights out of enterprise data and create personalized communications and call summaries.

**Automating workflows** allows sellers to apply best practices consistently in every stage of the sales process. And, it saves crucial time and makes the process easier for your sales team and your prospects.

**Applying analytics and AI** to your data provides actionable insights and recommendations that help your sellers maximize every sale. Examples of these insights include:

- Lead and opportunity scoring.
- Personalized next-best actions.
- Customer propensity to buy insights by product.
- “Likelihood to close” predictions.

Once the prospect has accepted the quote, your sales team can automatically capture the terms of the deal (products, prices, quantities, and delivery schedule) in a sales agreement. With this updated process, your sales team will be more efficient and productive. They’ll be able to focus their time on the leads, opportunities, and actions that drive the greatest likelihood of success. Modernizing your sales process not only improves seller productivity and performance, but sets you up to better manage the order-to-cash and revenue management processes in the next phase. This foundation reduces revenue and margin leakage in the selling process.

Learn how to [Grow Your Manufacturing Sales – the Digital Way](#).



# Expert Tip — How AI Can Help Your Sellers



## 1.9x

high performers are more likely to use AI

[Source: State of Sales, 5th edition, Salesforce 2022](#)

As workforce populations shift with Boomers retiring, manufacturers are hiring new customer and product professionals. Getting them up to speed quickly is a big challenge, but AI can help make them more productive faster and can benefit your seasoned team members too. And once they're up and running, AI can shoulder a lot of the administrative work that bogs down both newer and veteran team members alike. For example, AI can use available data to recognize patterns and make predictions. Those insights can be made and shared in context within the CRM platform, giving sales reps better insight into their best leads and where to dedicate their efforts for better sales success. When it comes to writing emails or call summaries, generative AI can do the leg work so that sales reps can focus on the most important part of their job: selling.

Use cases for manufacturing sales teams include:

- **Lead and Opportunity Scoring:** Prioritize the leads and opportunities that will have the greatest impact. Scores are updated in real time and sellers can see what factors contributed.
- **Recommended Next-Best Action:** AI analyzes the sales data to provide the next-best actions for sellers to take to keep the opportunity advancing.
- **Predictive Forecasting:** AI can predict potential pipeline attainment based on deals that are most likely to close.
- **Conversation Insights:** AI can analyze video call transcripts to visualize trending keywords, such as product and competitor mentions.

Using these insights, sellers can maximize their impact and sales managers can better coach their teams. Manufacturers using [Einstein GPT](#) have experienced increases in sales productivity, average deal size, and win rate.



**Cynthia Turner**

Director, Industry Solutions - Manufacturing

# 03

## PHASE THREE

# Integrate Your Revenue Management Processes

Once the selling process is complete, the workflow shifts to the order-to-cash process to capture customer orders, fulfill the sale, and collect the payment. A number of revenue management systems and processes support this process, such as sales agreement/contract management, demand forecasting, rebate management, and order management. These processes often happen simultaneously which adds another level of complexity. Because the revenue management processes are often fragmented and rely on siloed data, it creates many opportunities for revenue and margin leakage. As in phase one, the key steps forward involve integrating data and processes onto the platform for visibility and process connection.

## Volume Sales Agreement Management

Manufacturers lose money when customers fail to meet volume commitments. To address this problem, manufacturers can import customer purchase data from the ERP to track compliance with volume sales agreements on an ongoing basis. When actual purchases don't match the baseline agreement, the manufacturer can quickly engage the customer to address the issue.

## Demand Forecasting

Poor demand forecasting can lead to products being out-of-stock. This can result in canceled orders or higher payments for expedited shipping costs. Conversely, ordering too much inventory brings higher carrying costs. Visibility helps reduce these uncertainties and costs. When your team can see on-hand inventory across all appropriate fulfillment locations during the order process, they only accept orders they can deliver.

The other side of this process is ensuring there is available inventory when customers need it. This requires accurate forecasting, and is more important than ever given the supply chain challenges that have impacted the industry in the last few years. Your sales or commercial operations team can work collaboratively with customers to create and update demand forecasts based on the original sales agreement's volume requirements as a starting point. They can modify forecasts as needs change, and feed updates into the sales and operations (S&OP) process used to determine production plans and help manage inventory for optimal stock levels.

# 76%

of manufacturers rate the effectiveness of their order-to-cash process as somewhat or very ineffective.

Source: "Order-to-Cash: Managing for Success in Disruptive Times," APQC and Digital Supply Chain Institute, November 2021

## Rebates and Incentive Management

Manufacturers often track these programs in point solutions or spreadsheets. This approach makes it difficult to keep rebate obligations current and visible to stakeholders (sales, finance, commercial operations, and customers). If rebates and incentives are not tracked properly, you risk paying customers the wrong incentive amount and improperly accounting for rebate obligations on your financial reports.

To remedy this problem, you should adopt a platform-based rebate management system and integrate sales data from your ERP(s) to compute and track rebate obligations in real time. Rebates in the context of all CRM data like pricing, customer interactions, and service issues are very powerful. By coupling rebate information with your commerce tool, you can take advantage of data to factor in historical order habits and any service issues they have encountered and offer rebates and incentives accordingly. This can spur increased engagement and loyalty, maximizing your rebate program's impact.

## Order Management

Today, customers and channel partners submit orders through a variety of channels and systems, and manufacturers fulfill these orders through multiple factories and warehouses, each of which could have different ERP/inventory management systems. This makes getting a complete view of orders and inventory a formidable challenge, not to mention tracking status and making changes. Manufacturers need flexibility that ERPs can't offer.

Integrating data and processes on a single platform brings it all together for sellers, service reps, and even customers and channel partners. This enables your teams to view orders from all channels and their fulfillment status. And, you can cancel or reschedule orders, manage invoices, or process product returns. Plus, you have the ability to dynamically route orders to the best fulfillment location to optimize costs and fulfillment rates. Taking it a step further, bringing B2B commerce and order management processes together on the platform allows customers and channel partners to create, view, and manage their orders themselves.



Discover more about the benefits of a unified sales and revenue platform by watching the [Modernize Commercial Operations demo](#).





### Expert Tip — AI in the Competitive Marketplace

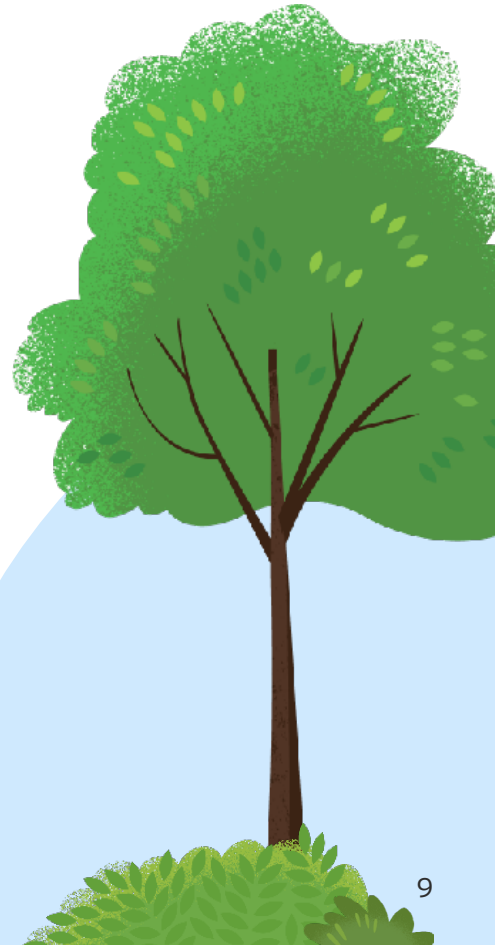
In today's competitive marketplace, manufacturers need to focus on all aspects of their business to succeed. A focus on commercial operations is essential for improving efficiency, profitability, and customer satisfaction.

This focus, combined with a data rich CRM environment and AI provides a massive opportunity for manufacturers to improve decision making, increase productivity, and reduce costs while simultaneously enhancing the experience of customers, channel partners, and employees.



#### **Tony Kratovil**

Vice President & General Manager,  
Manufacturing at Salesforce



# How do I get started?

Where do you begin your journey to modernize commercial operations? Each team faces unique challenges. While you can follow the path outlined here, our phased approach is meant to be flexible based on your business needs. Start by asking yourself where you need to prioritize your time and resources to solve your biggest pains. It may be one of the following:

- Creating a single, unified view of the customer to build a better experience.
- Preparing and cleaning your data to get the most use out of AI
- Reducing revenue and margin leakage to realize the full value of the sales you make.
- Increasing demand forecast accuracy to have the right product mix available for your customers when they need
- Improving sales productivity to win bigger deals faster.

Whatever you need to address first, we recommend you start small and build on quick successes rather than overwhelm your business by doing too much at once. Take the wins from these smaller projects to fuel your next investment, and use this guide as your transformation journey roadmap. No matter where you begin, the most important thing is just to get started. Whether you're at the beginning stages or ready to take your transformation further, Salesforce can help you. See how Swissbit, a leading manufacturer of storage, security, and embedded IoT solutions, [used our platform to uplevel their operational efficiency](#).

Through this guide, we've described how unifying your data to one source can help in your day-to-day manufacturing commercial operations. [Watch this demo](#) to see how Manufacturing Cloud can serve as your single source of truth to power your organization.

\*Source: 2024 Salesforce Success Metrics Global Highlights study. Data is from a survey of 2,165 Salesforce customers across the US, Canada, UK, Germany, France, Australia, India, Japan and Brazil conducted from June 30 to July 21, 2022. Results were aggregated to determine the average perceived customer value from the use of Salesforce. Respondents were sourced and verified through a third-party B2B panel. Sample sizes may vary across metrics.

**By the numbers  
Manufacturers who  
have adopted  
Salesforce solutions  
are experiencing  
these results on  
average\*:**

## 30%

Increase in sales revenue.

## 30%

Faster deal closure.

## 30%

Increase in sales productivity.

## 31%

Faster response time to customers, prospects, employees, and partners.

## 30%

Increase in cross-sell and upsell success.

